DEPARTMENTAL PERFORMANCE REPORT

Canada Economic Development for Quebec Regions

2015-2016

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec

Canada Economic Development for Quebec Regions
Développement économique Canada pour les régions du Québec

Canada

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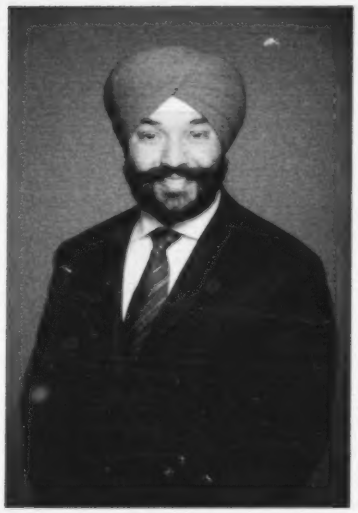
Ministers' Message

We are pleased to report the key results of Canada Economic Development for Quebec Regions (CED) for 2015–16.

The programs of the Innovation, Science and Economic Development Portfolio work together to deliver what Canada needs to improve productivity, grow the economy and enhance prosperity and well-being. That means supporting the government's commitment to developing an Innovation Agenda, which will in turn create well-paying jobs for the middle class, drive growth across all industries, and improve the lives of Canadians. The work of the Portfolio includes helping small businesses grow through trade and innovation, promoting increased tourism to Canada, and supporting scientific research and the integration of scientific considerations in our investment and policy choices.

As we approach Canada's 150th anniversary, we pledge to continue working with stakeholders from across the country to strengthen our place in the global economy.

We are honoured to present the *2015–16 Departmental Performance Report* for CED.



The Honourable Navdeep Bains
Minister of Innovation, Science and Economic Development

The Honourable Kirsty Duncan
Minister of Science

The Honourable Bardish Chagger
Minister of Small Business and Tourism and Leader of the Government in the House of Commons

Results in Brief

Funds used (Actual spending 2015–16)	Personnel (Full-time equivalents [FTEs] 2015–16)
$259,197,000	315

Summary of results

- In 2015–16, more than 10,500 businesses and organizations, established in every region of Quebec, received financial support directly from CED or through non-profit organizations (NPOs) providing them with assistance. The overall client satisfaction rate was 94%.[i]
- Every dollar spent by CED in 2015–16 generated an average investment of $3.10 in the regions, representing nearly 8% growth over its leverage effect posted in 2014–15 ($2.88).
- In support of Government of Canada priorities, CED has set up a *Dialogue on the economic development of Quebec's regions*, thus initiating a strategy to engage and establish ongoing discussions with the public and regional economic development experts, in order to inform CED's strategic directions and guide its future action.

Section I: Organizational Overview

Organizational Profile

Minister Responsible
The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec

Chief Executive Officer: Manon Brassard

Departmental Portfolio
Innovation, Science and Economic Development

Enabling Instrument
Economic Development Agency of Canada for the Regions of Quebec Act (S.C. 2005, c. 26)[ii]

Year of Commencement: 2005

Highlight

In 2015–16, CED invested $218.5 million in grants and contributions (G&C) in Quebec businesses and regions to support the implementation of economic development projects and thereby contribute to Quebec's prosperity. In line with Government of Canada priorities, CED particularly supported businesses in their efforts to innovate, grow and export.

Highlight

Building on its experience and expertise in managing grants and contributions (G&C), CED is helping to modernize the Public Service, having planned, in collaboration with the other regional development agencies, the design of a whole-of-government G&C management system, which will notably cut red tape and enhance the client experience.

Organizational Context

Raison d'être and Responsibilities

Object

Under its constituent Act, the object of the Economic Development Agency of Canada for the Regions of Quebec (CED) is to "promote the long-term economic development of the regions of Quebec by giving special attention to those where slow economic growth is prevalent or opportunities for productive employment are inadequate."

As part of its mission, CED supports the start-up and performance of businesses. It helps them become more innovative, productive and competitive. It supports communities' engagement efforts in Quebec's regions and helps attract investment that will increase the prosperity of the Quebec and Canadian economies.

CED contributes to the economic vitality of all Quebec regions, by building on their competitive regional advantages. It makes investments that support transition and diversification for those communities that remain dependent on a single sector for economic opportunities or have experienced economic shocks.

Through its business offices, located in each region of Quebec, CED works directly and indirectly with businesses, primarily small and medium-sized enterprises (SMEs), and through non-profit organizations (NPOs) that support them and the communities.[iii] By providing financial assistance for projects, among other things, CED supports their development efforts.

CED's approach to regional economic development is:

- **consistent** with government priorities and national strategies in line with its object and anticipated results;
- **geared** to the economic issues and challenges of Quebec's enterprises and its different regions by building on their assets and potential; and
- **collaborative** with economic agents, such as local partners (including representatives of First Nations communities), other federal departments and agencies, the Quebec government, and municipal organizations.

CED contributes to the design, administration and implementation in Quebec of Canada-wide G&C programs and temporary initiatives.

CED's Grants and Contributions Programs and Initiatives, in effect during 2015–16[iv]

Main Program: *Quebec Economic Development Program* (QEDP)

- Targeted and/or Temporary Initiatives
  - *Economic Recovery Initiative for Lac Mégantic*
  - *Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile*
  - *Strategic Initiative to Combat the Spruce Budworm Outbreak in Quebec*
  - *Extension of the natural gas distribution network between Lévis and Sainte-Claire (Bellechasse Gas Pipeline)*
  - *Linguistic Duality Economic Development Initiative* (EDI) (Canada-wide initiative)
  - *Canada 150 Community Infrastructure Program (CIP 150)* (Canada-wide initiative)

Canada-wide program

- *Community Futures Program* (CFP)

Infrastructure Canada's delivery partner in Quebec

- *Building Canada Fund – Quebec* (BCF-Q)

CED's main G&C program, the QEDP, came into effect on April 1, 2012. The program's main recipients are SMEs, business groups or associations, and NPOs whose principal mission is to support businesses or economic development.

Strategic Outcome and Program Alignment Architecture

This report is structured according to CED's Program Alignment Architecture (PAA). The following list presents the complete framework of CED's programs and sub-programs,[1] the links among them, and the strategic outcome to which they contribute.

1. **Strategic Outcome:** Quebec's regions have a growing economy

1.1 Program: Business Development
- **1.1.1 Sub-program:** *Entrepreneurship Support*
- **1.1.2 Sub-program:** *Business Performance*

1.2 Program: Regional Economic Development
- **1.2.1 Sub-program:** *Regional Engagement*
- **1.2.2 Sub-program:** *Regional Investment*

1.3 Program: Strengthening Community Economies
- **1.3.1 Sub-program:** *Community Futures Program*
- **1.3.2 Sub-program:** *Infrastructure Modernization*
- **1.3.3 Sub-program:** *Targeted and/or Temporary Support*

1.4 Program: Internal Services

[1] Note that a G&C program or a transfer payment program does not correspond to a program or sub-program in the PAA.

Operating Environment and Risk Analysis

The main external risk likely to affect the fulfilment of CED's mandate is linked to changes in the global, Canadian and Quebec economic contexts and institutional capacity. In 2015–16, the falling Canadian dollar impacted businesses' plans as to whether or not to follow through with their development projects, and CED's activities were adapted to the priorities in the new federal government's agenda. The environment at CED was also affected by the Quebec government's restructuring of support for regional economic development.

The following table outlines the external risk as well as the response strategies that CED implemented in FY 2015–16 to be able to fulfill its mandate. The table also shows the links to the PAA.

Key Risks

Risk	Risk Response Strategy	Link to CED Programs
Economic Risk and Institutional Capacity Risk that the pursuit of priorities and expected results from CED's economic development programs may be affected by the economic context and the various changes likely to have an impact on support for regional development and assistance for businesses.	• Monitoring of the regional economic development context and support structure for regional economic development and businesses in Quebec. Impact analysis to adjust program delivery as needed. • Establishment of a dialogue to engage the province's residents and key economic development stakeholders in the renewal of CED's strategic framework. • Development and implementation of specific or temporary initiatives in response to issues specific to the regions. • Implementation of an external communications strategy reflecting adjustments made to CED priorities or programming, where applicable.	Business Development Regional Economic Development Strengthening Community Economies

Organizational Priorities

Priorities represent the areas on which CED has decided to focus, but do not exclude the execution of activities in other areas of the PAA. They are established on the basis of the Government of Canada's priorities, targeted departmental results and risks, and the economic challenges of Quebec's different regions. The data presented in this section to report on the use of funds are based on new projects approved in 2015–16. During FY 2015–16, CED acted on the following three priorities:

Priority 1: *Back the Innovation Agenda by supporting enterprises in their expansion, innovation and export activities*

Description

In support of the Government of Canada's Innovation Agenda, prioritizing innovation and clean technology, CED ensured implementation of the objective of helping enterprises innovate, grow and export their products and services so they can create quality jobs and support prosperity. This objective was achieved in collaboration with federal partners, the Quebec government, municipalities, educational institutions (those promoting technology transfer and development of new processes, including clean technology), enterprises, employers, workers and sectors of activity (clusters) so as to enhance the quality of support for innovation, exports and entrepreneurship.

Priority Type[2]

New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to CED Programs
• Support for projects submitted by SMEs and NPOs pursuant to government directions	Ongoing	Ongoing	Under way	Business Development
• Implementation of the Industrial and Technological Benefits (ITB) Policy	Ongoing	Ongoing	Under way	Business Development
• Implementation of the engagement strategy with stakeholders*	January 2016	May 2016, then ongoing	Under way	All

2. "Type" is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the *Report on Plans and Priorities* or *Departmental Performance Report*.

• Renewal of the strategic framework	March 2016	March 2017	Under way	All
• Achievement of the research agenda*	June 2015	March 2018	Under way	All

*Initiatives marked with an asterisk in the Organizational Priorities section were identified in January 2016, during preparation of the *2016–17 Report on Plans and Priorities*. These are initiatives in support of CED priorities that stem directly from the Minister of Innovation, Science and Economic Development mandate letter. This DPR reports on the progress of these initiatives as at March 31, 2016.

Progress Toward the Priority

As part of its mandate to promote the long-term economic development of the regions of Quebec, CED is involved in implementing government priorities by supporting enterprises in their expansion, innovation and export activities. Over the last year, CED has successfully implemented various initiatives toward achieving this priority.

1- Support for projects submitted by SMEs and NPOs in compliance with government directions

In 2015–16, CED entered into 355 new contribution agreements in support of business development, representing over $118.8 million in approved financial assistance. These new projects specifically target business innovation (including clean technology), expansion and export activities.

CED supports projects specifically aimed at innovation and technology transfer. For example, CED supports college centres for technology transfer (CCTTs), business accelerators and incubators, and innovation design and development projects. CED also provides horizontal support for innovation in Quebec by funding projects that stimulate the creation of innovative enterprises or help existing businesses acquire new technology, implement new business processes or models, or market their innovations abroad.

CED supported the growth of Sonaca Montreal, a world leader in the aerospace sector, specializing in the design and production of large aerostructures for North-American markets. CED's $1.2-million contribution will help the company invest so as to become more competitive and increase its exports over the next three years.

CED also supports growing businesses by backing their projects aimed at making them more competitive and increasing sales. To strengthen its assistance for high-impact firms, CED worked in collaboration with its federal government partners in 2015–16 to launch a Canada-wide pilot initiative to accelerate the scaling-up of high-growth businesses.

Founded in 1992 as a spinoff of the National Optics Institute, Optel Vision is an innovative SME that designs, manufactures and markets inspection and serialization systems for packaging and packing systems of companies operating in the pharmaceutical, nutraceutical and cosmetic industries.

CED's $750,000 contribution enabled Optel Vision to develop new markets abroad and supported its growth. CED's assistance helped the company increase its sales, exports and jobs.

CED has helped make an entrepreneurial success of Optel Vision, which received the 2016 Mercuriades Business of the Year award.

CED supported the start-up of Rackam Design—an innovative firm specializing in the development of a patented solar power system. The equipment enables companies to generate the power required for their processes, thus reducing their costs and promoting sustainable development. CED's $250,000 contribution helped support the start-up of Rackam Design, job creation, and commercialization of the firm's innovative system abroad.

To support sustainable development and the green economy, CED backs projects involving products, processes and services that enhance businesses' environmental performance. CED's assistance is funnelled toward projects aimed at the greening of businesses' manufacturing processes and procedures, such as through the adoption of clean technology that helps reduce pollutant emissions or the quantity of required inputs. CED also backs projects aimed at the growth of businesses that develop, produce or market clean technology by supporting research and development, the implementation of new technologies, production and marketing.

2- *Implementation of the Industrial and Technological Benefits (ITB) Policy*

In 2015–16, CED promoted Quebec enterprises' capabilities to prime contractors, with a view to maximizing the industrial and technological spinoffs generated in Quebec by the Government of Canada's major defence procurement projects in the aerospace, marine, land and security sectors.

In addition to organizing company tours and industry days, CED raised the profile of Quebec defence expertise by ensuring a presence at national and international trade shows and fairs, including the 51st International Paris Air Show at Paris Le Bourget with a delegation headed by the CED President.

In collaboration with Aéro Montréal and STIQ, a multi-industry association of Quebec-based manufacturers, CED also took the initiative of organizing Quebec's first Symposium on the Canadian Defence and Security Market. More than 250 Quebec enterprises and major international contractors were in attendance, coming together to discuss market trends, outlooks and challenges.

3- *Implementation of the engagement strategy with stakeholders*
In keeping with the government priority of openness and transparency, CED implemented an engagement strategy in 2015–16 to establish an ongoing dialogue with the public and experts in order to fuel its new strategic directions. CED used online resources and round-table discussions to solicit ideas and opinions on the strengths of Quebec SMEs and communities, the challenges they face, and potential solutions. The dialogue will continue in 2016–17.

4- *Renewal of the strategic framework*
In 2015–16, CED began developing its 2016–2021 strategic framework. The objective is to set the course for the next five years, so CED can be best placed to contribute to the government's agenda and fulfill its mission so that SMEs continue to innovate and grow, communities thrive, and Quebec's economy can sustain any challenges the future holds.

5- *Achievement of the 2015–2018 research agenda*
In 2015–16, CED completed six projects during the first year of its 2015–2018 research agenda, designed to improve CED's performance by supporting decision-making and program delivery.

Priority 2: ***Back the Innovation Agenda by supporting the economic diversification and transition of communities by building on their respective strengths***

Description

In support of the Government of Canada's Innovation Agenda, CED made strategic investments that build on competitive regional advantages and opportunities flowing from the opening of certain markets and from new technology. CED increased its support for transition and economic diversification, especially in communities that remain dependent on a single sector for economic opportunities or that have experienced economic shocks.

Priority Type

New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to CED Programs
• Support for the economic diversification of communities*	Ongoing	Ongoing	Under way	Regional Economic Development Strengthening Community Economies

• Implementation of the *Economic Recovery Initiative for Lac Mégantic*	July 2013	March 2020	Under way	Strengthening Community Economies
• Implementation of the *Canadian Economic Diversification Initiative for Communities Reliant on Chrysotile*	June 2013	March 2020	Under way	Strengthening Community Economies
• Planning and funding of community economic facilities (CEFs)	Ongoing	Ongoing	Under way	Regional Economic Development
• Upgrading of facilities to boost the local economy	May 2014	September 2015	Completed	Strengthening Community Economies

*Initiatives marked with an asterisk in the Organizational Priorities section were identified in January 2016, during preparation of the *2016–17 Report on Plans and Priorities*. These are initiatives in support of CED priorities that stem directly from the Minister of Innovation, Science and Economic Development mandate letter. This DPR reports on the progress of these initiatives as at March 31, 2016.

Progress Toward the Priority

CED supported the economic diversification and transition of communities by implementing targeted initiatives, all of which were under way as of March 31, 2016.

1- *Support for the economic diversification of communities*

To support communities in their economic diversification efforts, CED signed 88 new contribution agreements in 2015–16, for a total of $88 million in approved financial assistance. Every dollar spent by CED through these projects should generate an average investment of $5.40 in Quebec regions.

Québec Maritime is a tourism promotion agency targeting markets outside Quebec. Founded in 1997, it brings together five regional tourism associations (RTAs) wishing to promote their regions in these markets.

CED has supported this organization since its inception, and renewed its assistance in 2015 for a three-year period, approving $3.9 million in financial assistance. In 2015–16, Quebec Maritime organized 51 media tours that helped generate media value of $20 million.

Québec Maritime ensures significant engagement and coordination among tourism stakeholders in the five regions represented, in conjunction with Parks Canada, Sépaq (provincial outdoor recreation agency), Société des traversiers du Québec (Quebec ferry corporation), and some 200 associated private companies operating in the tourism industry.

The numerous measures implemented include the following:

1.1- *Planning and funding of community economic facilities (CEFs)*

- This component is intended to generate investment in the regions by supporting the planning and funding of community facilities likely to contribute to the economic

growth or vitality of communities by giving them a competitive advantage. In 2015–16, CED signed five new CEF agreements, for approved financial assistance totalling $9.1 million.

1.2- *Implementation of the Economic Recovery Initiative for Lac Mégantic*

- With a $35-million envelope over seven years (2013–2020), this initiative is contributing to the economic recovery and rebuilding of the town of Lac Mégantic following the rail incident of July 6, 2013.
- The initiative involves three components: rebuilding the town, providing direct assistance to businesses and creating two investment funds managed by the Mégantic-area Community Futures Development Corporation (CFDC).
- Deployment of a dedicated team in the field to support local stakeholders in their economic development efforts.
- In 2015–16, six new contribution agreements were signed, for a total of $6.4 million in approved financial assistance.

1.3- *Implementation of the Canadian Economic Diversification Initiative for Communities Reliant on Chrysotile*

- With a $50-million envelope over seven years (2013–2020), this initiative is intended to guide communities and enterprises in Des Appalaches and Des Sources RCMs in their efforts to strengthen and diversify their economic base and thus increase their long-term growth potential.
- In 2015–16, 10 new contribution agreements were signed, for a total of some $11.6 million in approved financial assistance.

1.4- *Upgrading of facilities to boost the local economy*

- The Local Investment Initiative (LII) aimed to support the renovation, improvement and expansion of existing community halls for non-commercial public use.
- The initiative was in operation between May 2014 and September 2015.
- In 2015–16, eight new contribution agreements were signed, for a total of more than $417,000 in approved financial assistance.

Priority 3: ***Build on CED's culture of innovation to enhance its performance***

Description

CED has built on its capacity for innovation and ongoing improvement to modernize its procedures and systems so it can enhance its openness and transparency, and provide its clients with better service in a context that is stimulating for employees.

Priority Type

New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to CED Programs
• Implementation of the Open Government Plan*	October 2014	March 2020	Under way	Internal Services
• Implementation of Oxygen, an internal initiative by a dedicated team, which focusses on strengthening the culture of continuous improvement, on innovation, and on optimizing CED's processes and tools	May 2015	To be determined	Under way	Internal Services
• Implementation of concrete measures to build the Public Service of the Future, while promoting employee engagement and pursuing initiatives stemming from the Blueprint 2020 action plan	January 2014	March 2020	Under way	Internal Services

*Initiatives marked with an asterisk in the Organizational Priorities section were identified in January 2016, during preparation of the *2016–17 Report on Plans and Priorities*. These are initiatives in support of CED priorities that stem directly from the Minister of Innovation, Science and Economic Development mandate letter. This DPR reports on the progress of these initiatives as at March 31, 2016.

Progress Toward the Priority

1- *Implementation of the Open Government Plan*

In October 2015, CED submitted its first five-year Open Government Implementation Plan (OGIP) to the Treasury Board Secretariat, outlining its commitment to helping make the government more transparent in terms of data and information and fostering more dialogue with the public. The OGIP is currently being implemented, witness, for example, the distribution of CED's Map of Interventions[v] to Quebec businesses and communities on the open data portal.

In 2015–16, CED introduced a series of activities stemming from two related initiatives, Blueprint 2020 and Oxygen, to encourage CED employees to participate actively in service improvement and achieve Government of Canada objectives on transforming and modernizing the federal Public Service.

2- *Implementation of the Oxygen Initiative*

In 2015–16, a team dedicated to continuous improvement was established within CED. Several activities were organized to strengthen collaborative governance, streamline targeted organizational processes, and boost innovation.

3- *Implementation of Blueprint 2020 initiatives*

In 2015–16, CED maintained its commitment to Blueprint 2020 in order to define and build the Public Service of the Future. CED's progress update was submitted to the Clerk of the Privy Council in December 2015. It shows in particular that the activities carried out engaged more than a third of CED's staff and inspired employees to come up with creative, innovative ideas.

For more information on organizational priorities, please see the Ministerial Mandate Letter.[vi]

Section II: Expenditure Overview

Highlight

In 2015–16, CED ensured sound management of its resources by investing 98% of its total budget in growth-generating projects in Quebec, so as to contribute to the economic development of Quebec enterprises and regions.

Highlight

In 2015–16, CED posted a high rate of client satisfaction (94%) with claims processing times for supported projects.

Actual Spending

This section provides an overview of human and financial resources, along with a table summarizing CED's performance in 2015–16.

Budgetary Financial Resources[3] (dollars)

2015–16 Main Estimates[4]	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
261,082,194	261,082,194	265,707,999	259,197,000	(1,885,194)

For 2015–16, CED spent $259.2 million out of a possible $265.7 million, or 98% of its authorities.

Human Resources (Full-Time Equivalents [FTEs])

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
316	315	(1)

[3] This chart includes G&C expenditures, and operating expenditures.

[4] Main Estimates are tabled in Parliament prior to the start of the fiscal year. Planned spending refers to expenditures published in the *Report on Plans and Priorities* (RPP) and is based on the reference level update. It comprises the Main Estimates as well as any additional authorities at the time of publication of the RPP. Total authorities represent the sum of Main Estimates and Supplementary Estimates up to March 31, 2016. This amount corresponds to total authorities as indicated in the Public Accounts for the year ending March 31, 2016. CED's actual spending corresponds to actual expenditures as indicated in the Public Accounts.

Budgetary Performance Summary

Budgetary Performance Summary for Programs and Internal Services[5] (dollars)

Programs and Internal Services	2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending*	2017–18 Planned Spending*	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2014–15 Actual Spending (authorities used)	2013–14 Actual Spending (authorities used)
Program: Business Development	151,677,176	151,677,176	140,314,211	139,815,622	152,129,376	147,576,913	146,564,462	147,594,134
Program: Regional Economic Development	35,237,511	35,237,511	32,313,131	32,297,398	35,257,500	33,610,006	34,133,620	39,132,388
Program: Strengthening Community Economies	53,720,902	53,720,902	51,673,326	47,966,263	57,193,056	60,180,857	55,328,034	64,286,545
Internal Services	20,446,605	20,446,605	20,314,529	19,725,338	21,128,067	17,829,224	17,871,800	18,292,750
Total	261,082,194	261,082,194	244,615,197	239,804,621	265,707,999	259,197,000	253,897,916	269,305,817

*Figures for future years (2016–17 to 2017–18) are based on the authorities established in the *2015–16 Report on Plans and Priorities*. Planned spending is now $303.1 million for 2016–17 and $255.4 million for 2017–18.

The planned spending data is taken from CED's *2015–16 Report on Plans and Priorities* (RPP). The main reason for the variance between planned spending in 2015–16 and planned spending for the following two years is that the reinvestment of clients' repayable contributions is not yet included in the planned spending for 2016–17 or 2017–18. These amounts will be added to planned spending, once approved in due course by the Treasury Board.

Spending Analysis by PAA Program

For FY 2015–16, CED's total G&C expenditures and operating expenditures stood at $259.2 million. Of that, $218.5 million was spent in G&C on projects aimed at economic development. Operating expenditures totalled $40.7 million.

[5] This chart includes G&C expenditures, operating expenditures, and statutory items. Internal Services include only operating expenditures and statutory items.

a) Performance of PAA programs, excluding Internal Services

The "Budgetary Performance Summary for Programs and Internal Services" table shows that CED's actual spending for 2015–16, excluding Internal Services expenditures, was $241.4 million, or 93% of total actual spending, broken down among CED's PAA programs as follows:

- 61% for *Business Development*;
- 14% for *Regional Economic Development*; and
- 25% for *Strengthening Community Economies*.

CED's programs are flexible, so as to adjust continually to the challenges and issues of Quebec enterprises and regions. To that end, every year, CED internally reallocates available financial resources among the various programs in its PAA.

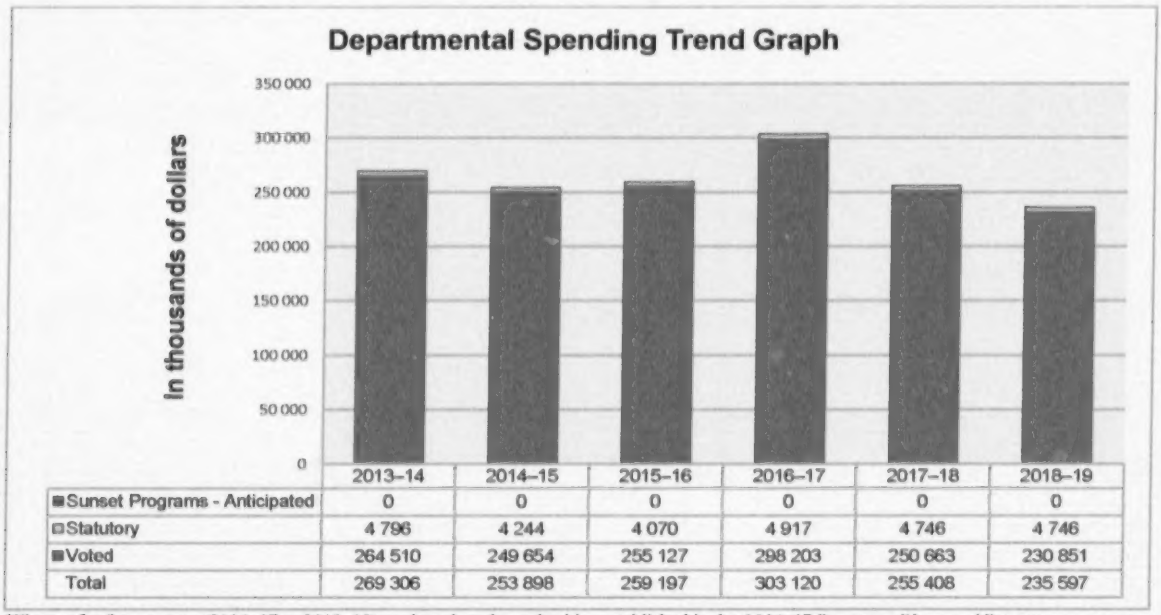
b) Performance of Internal Services

In 2015–16, CED's actual spending for *Internal Services* stood at $17.8 million. Consequently, Internal Services' relative share of CED's total spending was 7% in 2015–16.

Agency Spending Trend

The figure below shows CED's actual and planned spending trend. The dark grey bar corresponds to G&C expenditures and operating expenditures under its programs. The light grey bar corresponds to statutory expenditures associated with CED's employee benefits plan.

Figure 1: CED's Actual Spending and Planned Spending Trend, April 1, 2015 to March 31, 2019



	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
Sunset Programs - Anticipated	0	0	0	0	0	0
Statutory	4 796	4 244	4 070	4 917	4 746	4 746
Voted	264 510	249 654	255 127	298 203	250 663	230 851
Total	269 306	253 898	259 197	303 120	255 408	235 597

*Figures for future years (2016–17 to 2018–19) are based on the authorities established in the *2016–17 Report on Plans and Priorities*.

With regard to actual expenditures, the above figure shows a 4% decrease in CED's spending between 2013–14 and 2015–16, from $269 million to $259 million, as a result of the termination of the Community Infrastructure Improvement Fund program.

With respect to CED's planned spending, the $43.9-million increase in expenditures between 2015–16 ($259.2 million) and 2016–17 ($303.1 million) is primarily attributable to the awarding of new funds to support Quebec's economic development, particularly through the Canada 150 Community Infrastructure Program (CIP 150) for the Anniversary of Confederation and funding for the Bellechasse Gas Pipeline. The difference is also attributable to the increased reinvestment of revenues from clients' contribution repayments.

The main reason for the decrease in planned spending between 2017–18 and 2018–19 is that the reinvestment of clients' repayable contributions is not yet included in the planned spending for 2016–17 and 2017–18. These amounts will be added to planned spending, once approved in due course by the Treasury Board.

Expenditures by Vote

For information on the voted and statutory expenditures of Canada Economic Development for Quebec Regions, consult the *Public Accounts of Canada 2016*.[vii]

Alignment of Spending with the Whole-of-Government Framework

Alignment of 2015–16 Actual Spending with the Whole-of-Government Framework[viii] (dollars)

Program	Spending Area	Government of Canada Outcome	2015–16 Actual Spending
1.1 Business Development	Economic Affairs	Strong Economic Growth	147,576,913
1.2 Regional Economic Development	Economic Affairs	Strong Economic Growth	33,610,006
1.3 Strengthening Community Economies	Economic Affairs	Strong Economic Growth	60,180,857

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	240,635,589	241,367,776
Social Affairs	0	0
International Affairs	0	0
Government Affairs	0	0

Financial Statements and Financial Statement Highlights

Financial Statements

CED's unaudited financial statements for the fiscal year ended March 31, 2016 and the Core Control Audit report produced by the Office of the Comptroller General of Canada, along with the related Management Action Plan, are available on CED's website.[ix]

Financial Statement Highlights

The financial highlights presented below provide an overview of CED's financial position and operations. The unaudited financial statements are drawn up in accordance with government accounting policies, which are based on Canadian generally accepted accounting principles for the public sector.

Note that the spending presented in the tables in Sections II and III of the Report were prepared on a cash basis, while the financial highlights that follow were prepared on an accrual basis. Tables reconciling these two accounting methods are presented in the Notes to CED's Financial Statements.

A more detailed statement of operations and associated notes, including a reconciliation of the net costs of operations with the requested authorities, can be found on CED's website.[x]

Financial Information	2015–16 Planned Results[xi]	2015–16 Actual	2015–16 Actual	Difference (2015–16 actual minus 2015–16 planned)	Difference (2015–16 actual minus 2014–15 actual)
Total expenses	$157,094,000	$168,203,868	$151,447,431	$11,109,868	$16,756,437
Total revenues	$0	$0	$0	$0	$0
Net cost of operations before government funding and transfers	$157,094,000	$168,203,868	$151,447,431	$11,109,868	$16,756,437

Expenses

- In 2015–16, CED's total expenses stood at $168.2 million, up $16.8 million (11.1%) from the previous year. This increase is primarily attributable to the increase in non-repayable contributions.
- Indeed, transfer payment expenses, totalling $122.2 million, rose by 15.9% between 2014–15 and 2015–16. Operating expenses held steady compared with the previous year, at $46.0 million.
- The $11.1 million variance in the value of net expenses, compared with projected figures, is also attributable to the increase in non-repayable contributions.

Revenues

- Being returned to the Consolidated Revenue Fund, CED's revenues are declared in its financial statements as having been earned on the government's behalf, so the organization's total net revenues are zero. In 2015–16, CED's total gross revenues stood at $129,559, down 56.0% from the previous year. Revenues primarily comprise interest charged on missed payments.

Condensed Statement of Financial Position (unaudited) As at March 31, 2016 (dollars)

Financial Information	2015–16	2014–15	Difference (2015–16 minus 2014–15)
Total net liabilities	27,180,487	35,554,488	(8,374,001)
Total net financial assets	23,875,447	32,317,420	(8,441,973)
Departmental net debt	3,305,040	3,237,068	67,972
Total non-financial assets	1,122,769	1,081,487	41,282
Departmental net financial position	(2,182,271)	(2,155,581)	(26,690)

Liabilities

- As at March 31, 2016, CED's net liabilities stood at $27.2 million, down 23.6% from the total in 2014–15. This decrease is largely attributable to the decline in net accounts payable and accrued liabilities.
- Accounts payable and accrued liabilities represented the largest component of liabilities, at 87.8% ($23.9 million) of total net liabilities, while future fringe benefits, along with vacation pay and compensatory leave, accounted for 6.7% ($1.8 million) and 5.5% ($1.5 million) of the organization's net liabilities, respectively.

Assets

- As at March 31, 2016, net financial assets stood at $23.9 million, down 26.1% from the previous year's total. This decrease is attributable to the decline in amounts due from the Consolidated Revenue Fund to discharge liabilities (fringe benefits and accrued liabilities), which were also down.
- Furthermore, CED's non-financial assets stood at $1.1 million as at March 31, 2016, up 3.8% from the previous year. This increase is primarily attributable to the increase in prepaid expenses.
- Also, CED's loans, held entirely on behalf of the government, totalled $332.7 million as at March 31, 2016, up 17.2% from 2014–15 owing to the increase in repayable contributions paid by the organization.

Section III: Analysis of Programs and Internal Services

This section provides information on CED's performance for 2015–16 in relation to planned outcomes, on the basis of its Program Alignment Architecture (PAA), as illustrated on page 8.[xii] The data presented in this section to report on the use of funds are based on projects for which an expenditure was made in 2015–16.

Highlight

CED supported Eddyfi NDT Inc., a global expert in non-destructive testing solutions using eddy currents for power generation. CED's $775,000 contribution helped foster the company's innovation and global commercialization capability as well as its robust growth. Eddyfi's sales figures increased, and it won several awards, including the 2015 - Deloitte Technology Fast 50™ and Technology Fast 500™ awards.

Highlight

Recognizing that everyone's participation in the economy contributes to Quebec's prosperity, CED's financial assistance programs are geared toward the different groups in society, including First Nations communities. For example, in 2015–16, CED continued its partnership with the Atikamekw de Manawan band in Lanaudière on a project to promote an Aboriginal theme site. This site generates significant economic benefits, attracting a significant number of tourists from outside Quebec.

Programs

Program: Business Development

Description

This program is designed to support enterprises' development throughout their life cycle so as to sustain Quebec's economic growth. Businesses, particularly small and medium-sized enterprises (SMEs), are drivers of economic development. They are recognized as generating a significant share of economic activity and creating employment in communities.

CED supports the emergence of new enterprises and business succession. CED also works to increase the competitiveness of existing enterprises and support their survival by enhancing their performance. It does so by supporting projects that enable enterprises to modernize, expand, launch or extend their export activities, and strengthen their capacity to innovate, commercialize, and establish partnerships.

In this program, CED mainly targets businesses either directly or through non-profit organizations serving businesses and entrepreneurs. It promotes business development through a G&C program, the Quebec Economic Development Program (QEDP).

Performance Analysis and Lessons Learned

CED's 2015–16 performance in the *Business Development* program exceeded expectations. CED's intervention in this program was in fact identified as an organizational priority in 2015–16, and involves supporting business expansion, innovation, and export activities. CED has thus spent $132.1 million to support the implementation of 747 projects to foster enterprises' growth.

The number of entrepreneurs in Quebec is declining, owing to the aging of the population, among other reasons.[xiii] Indeed, between 2008 and 2014, the number of entrepreneurs fell by 10%, from 186,200 to 167,500.[xiv] Quebec's entrepreneurial deficit is a major issue that is impacting business start-ups.

In response to this issue, CED supported start-up projects, and considers that it contributes to the renewal of the pool of enterprises in Quebec in 2015–16. CED supported 114 of the 747 projects in this program, for a total of $18.1 million in financial assistance, in order to stimulate the creation of enterprises. Of the businesses that received entrepreneurship support from CED, 38% were started up,[6] slightly surpassing the established target. In addition, 94% of businesses receiving start-up support were still in operation three years after the funding ended.

[6] An enterprise has "started up" when it has been in operation for at least one year and is generating revenues representing at least 80% of its expenditures.

In 2015–16, CED also supported 633 projects, providing $113.9 million in financial assistance to sustain the prosperity and competitiveness of Quebec enterprises.

CED intervened directly with enterprises, and also reached them indirectly via NPOs. Through its interventions last year, CED contributed to the development of 9,052 enterprises. Of that number, it is worth noting that:

- 4,465 enterprises received direct or indirect support in exports and commercialization;
- 2,020 enterprises received direct or indirect support in their productivity and expansion projects; and
- 1,434 enterprises received direct or indirect support in innovation and technology transfer.

Furthermore, Statistics Canada's economic impact study[xv] confirmed that CED assistance increased enterprises' chances of success, particularly in terms of sales, productivity, and survival. From the first years following CED funding, enterprises receiving assistance averaged higher revenue growth and productivity than the control group of comparable enterprises. This same study showed that five years after receiving funding, CED clients had a 4.4% higher survival rate than non-clients, so nearly all businesses (99%) supported by CED in their development efforts were still in operation three years after the funding ended. These positive business development outcomes confirm the timeliness and effectiveness of CED support.

Last year, CED also continued its support for the two Canada Business Network service centres in Quebec, namely Info Entrepreneurs in Montreal and Ressources Entreprises in Quebec City, which provide information and referral services to guide entrepreneurs to specialized resources. In 2015–16, these centres responded to more than 23,000 information requests. CED's financial support through its operating budget represents $1.9 million in total spending.

With respect to the use of financial resources for 2015–16, the $4.1 million variance between planned and actual spending is attributable to the fact that part of the funding originally earmarked for the *Business Development* program was instead used to fund initiatives under the *Strengthening Community Economies* program.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
151,677,176	151,677,176	152,129,376	147,576,913	(4,100,263)

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
136	134	(2)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The pool of Quebec businesses is renewed	Survival rate of businesses supported in their start-up	80%	94%
Quebec businesses are competitive	Survival rate of businesses supported in their development	95%	99%

Program: Regional Economic Development

Description

This program is intended to strengthen the regions' economic base so as to sustain the growth of Quebec's economy. Quebec's regions differ in, among other things, their industrial structure, and some are more sensitive to economic fluctuations than others. Quebec's prosperity depends on the different regions' participation in the economy to their full potential. CED wishes to contribute to building strong, competitive regions, and does so by supporting local communities as they take charge of their economic development and by stimulating investment in all Quebec regions.

In this program, CED intervenes primarily through non-profit organizations active in economic development. It supports regional economic development through a G&C program, the QEDP.

Performance Analysis and Lessons Learned

The performance obtained in 2015–16 under the *Regional Economic Development* program exceeded expectations. In 2015–16, CED spent $31.3 million on 107 projects to strengthen the economic base of Quebec's regions.

To sustain communities, CED supported the implementation of recovery and diversification plans, as well as projects stemming from those plans. Thus, of the 10 communities receiving financial support from CED in 2015–16 for engagement and development projects, five implemented economic development projects arising from planning, or 50% of the communities supported, thus reaching its target of 50%.

CED also contributed to the competitive positioning efforts of the various regions of Quebec to help them become more attractive and open to the world. It funded 87 projects, for a total of $28.6 million, to stimulate investment in Quebec.

In that regard, the Project to Implement the Eeyou Istchee Broadband Communications Network (ECN) case study[xvi] concluded that specific and targeted programs are necessary for supporting remote areas in their growth-generating projects.

CED also fostered the international outreach of Quebec regions' competitive advantages. It supported the commercialization of destinations or major events, such as festivals, to increase the number of tourists visiting and generate economic spinoffs within communities. According to the latest data,[xvii] 6.4 million tourists from outside Quebec visited the province's different regions in 2014. These tourists spent $3.8 billion, an 8.6% increase over 2013, while international tourists reportedly spent $3.5 billion in Quebec.

In order for the regions to build on their strengths, they must attract investment,[xviii] particularly foreign direct investment.[xix] In 2015–16, through Montréal International and Québec

International, CED helped attract $1.7 billion in investment from foreign firms and international organizations, exceeding its $900-million target. Through its funding to these entities, CED helped maintain or attract 63 foreign firms and international organizations in or to Quebec.[xx] This performance is attributable to the establishment and expansion of several subsidiaries of foreign corporations, particularly in Greater Montreal. This foreign direct investment was primarily concentrated in high-technology industries, especially in the information technology and communications sector, thus boosting the region's productivity and competitiveness.[xxi]

With respect to the use of financial resources for 2015–16, the difference of some $1.6 million between planned and actual spending is attributable to the fact that part of the funding originally earmarked for this program was instead used to fund initiatives under the *Strengthening Community Economies* program.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
35,237,511	35,237,511	35,257,500	33,610,006	(1,627,505)

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
15	16	1

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Quebec regions have a strong economic base	Total amount of investment generated in regions supported that completed the implementation of their development project	$14M	$25M
	Amount spent by tourists from outside Quebec attracted to the regions supported	$3.5B	$3.8B
	Amount of foreign direct investment maintained in or attracted to the regions supported	$900M	$1.7B

Program: Strengthening Community Economies

Description

In addition to its regular programs, CED develops, administers and implements Canada-wide programs or temporary and/or targeted initiatives. The common objective throughout is to strengthen community economies in order to increase Quebec's economic growth. CED thus supports communities' economic development and ensures sound, effective management of infrastructure programs in Quebec. CED also supports economic activity in Quebec communities that are undergoing economic shocks, experiencing significant development challenges or grasping long-term business opportunities. CED's intervention is directed at enterprises and non-profit organizations.

CED uses dedicated, temporary or permanent additional funding from the Government of Canada, or specific funds which it allocates via the QEDP. It also intervenes by means of a permanent fund dedicated to the *Community Futures Program* (CFP).

Performance Analysis and Lessons Learned

Under the *Strengthening Community Economies* program, CED exceeded its results targets as at March 31, 2016. In 2015–16, CED implemented a Canada-wide program, as well as temporary or targeted initiatives, and administered a fund for Infrastructure Canada.

Through the *Community Futures Program* (CFP), CED provided financial support for 56 Community Futures Development Corporations (CFDCs) located in designated rural regions and 10 Business Development Centres (BDCs) in peri-urban regions. In 2015–16, CED gave these organizations $28.6 million to help them financially support nearly 1,650 enterprises in their economic development efforts so as to strengthen the economy of Quebec's rural communities.

The findings of the *Evaluation of the Community Futures Program in Quebec* (2015)[xxii] confirm the program's timeliness and effectiveness in Quebec. There is a clear need for the CFP and for the services of the CFDCs and BDCs, and the CFP's current delivery model is the most cost-effective way to achieve results. One of the Evaluation's recommendations is to set Quebec-specific targets for indicators under the program's performance measurement strategy (PMS). In response to this recommendation, CED began setting targets for the CFP's PMS indicators in 2014–15, and has already made the required changes to its performance measurement framework so as to report on these indicators and incorporate them into its *2015–16 Report on Plans and Priorities*.

Statistics Canada data show that businesses funded by the CFDCs and BDCs had a greater increase in their sales figures than comparable businesses that did not receive funding from these organizations. This difference tends to increase over time, from a 3.8% variance for 2003–2008 to an 8.1% variance for 2005–2010.[xxiii]

Under the *Strengthening Community Economies* program, CED also provided $26.5 million to support 190 projects stemming from temporary or targeted initiatives to respond to community needs and community and government priorities in a timely manner. Thus, it temporarily supported the economic activity of 71 Quebec communities to stabilize or strengthen their economies. The projects generated $48.9 million in investment in the communities, exceeding the $42-million target.

Canadian Economic Diversification Initiative for Communities Reliant on Chrysotile

- This initiative has a budget envelope of $50 million over seven years (2013–2020).
- It aims to guide communities and enterprises in Des Appalaches and Des Sources RCMs which are dependent on the chrysotile asbestos industry, in their efforts to strengthen and diversify their economic base and thus increase their long-term growth potential.
- In 2015–16, CED spent $6.4 million on 20 projects.

Economic Recovery Initiative for Lac Mégantic

- The Economic Recovery Initiative for Lac Mégantic aims to support the economic recovery and rebuilding of the town in the aftermath of the rail accident of July 6, 2013.
- With a budget envelope of $35 million over seven years (2013–2020), it is divided into three components: rebuilding of the town, direct assistance to enterprises, and creation of two investment funds managed by the Mégantic-area CFDC.
- It has provided for the deployment of a dedicated team in the field to support local stakeholders in their economic development efforts.
- In 2015–16, CED spent $6.3 million on 14 projects, including a feasibility study to assess the possibility of installing a rail line that bypasses downtown Lac Mégantic.

Strategic Initiative to Combat the Spruce Budworm Outbreak in Quebec

- This initiative has a budget envelope of $6 million over four years (2014–2018).
- It aims to support the vitality and sustainability of the forestry sector and the health of Canada's forests, which are vital to rural communities.
- In 2015–16, CED gave $1.5 million to the Société de protection des forêts contre les insectes et les maladies (SOPFIM), to help control the spruce budworm infestation in the Lower St. Lawrence, Gaspé and North Shore regions.

Linguistic Duality Economic Development Initiative (EDI), 2013–2018

- Through the Canada-wide EDI, CED helped stimulate the economic development of English-speaking communities (i.e., Quebec's official language minority communities (OLMCs)). This financial assistance is provided under the *Roadmap for Canada's Official Languages 2013–2018*, and is in keeping with the commitments arising from Part VII of the *Official Languages Act*.
- In 2015–16, CED supported 15 projects, for a total of $1.9 million, garnering in all $5.6 million in investment in the communities involved.
- During that same year, of the 62 OLMCs identified in Quebec, 14 received targeted support, or 23% of targeted communities.

Canada 150 Community Infrastructure Program (150 CIP)

- This Canada-wide initiative is part of the Government of Canada's celebrations to mark the 150th Anniversary of Confederation.
- The 150 CIP aims to provide financial support for the renovation, improvement and expansion of community and recreational infrastructure.
- In Quebec, CED is delivering the 150 CIP with a budget envelope of $62.4 million. Of this amount, $31.2 million was announced in Budget 2015, and $31.2 million in Budget 2016.
- In 2015, CED held its first call for project proposals. Delivery of these projects began in 2016–17.

Restoration Initiative for Watercourse Crossings on Forest Multi-use Roads in Wildlife Areas

- This initiative has a budget envelope of $9.6 million over three years (2014–2017).
- CED funded projects aimed at encouraging the restoration of watercourse crossings damaged by weathering and severe storms, and ensuring the improvement, rehabilitation and maintenance of these multi-use roads in wildlife areas.
- In 2015–16, $4.1 million was spent through this Canada–Quebec Agreement to fund projects.

Local Investment Initiative

- CED funded projects to support local investment in all Quebec regions by encouraging the rehabilitation, improvement or expansion of existing community halls, accessible to the public on a non-commercial basis.
- In 2015–16, $5.1 million was spent by CED on 137 projects.

Extension of the natural gas distribution network between Lévis and Sainte-Claire (Bellechasse Gas Pipeline)

- This project will help Bellechasse RCM acquire a gas pipeline, an important asset for stimulating economic development in the region.
- CED's financial assistance for this project totals $17.5 million.
- In 2015–16, CED spent $934,944 on this project.

CED's temporary and targeted initiatives in Quebec communities help stabilize and strengthen their economies. For example, the *Temporary Initiative for the Strengthening of Quebec's Forest Economies* (TISQFE), in effect from June 2010 to March 2013, aimed to diversify and support communities affected by the forestry crisis. Findings from the TISQFE evaluation[xxiv] indicate that this initiative seems to have mitigated the impacts of the crisis, which affected Quebec's forestry industry in the early 2010s. Moreover, to the same evaluation, without funding from the initiative, job losses in the affected communities could have been higher.

Lastly, in FY 2015–16, CED continued to collaborate with Infrastructure Canada on the *Infrastructure Modernization* sub-program for delivery in Quebec of the *Building Canada Fund* (Communities and Large Urban Centres components) to help improve public infrastructure in Quebec communities. Performance highlights on the various infrastructure programs are provided in Infrastructure Canada's *Departmental Performance Reports*.[xxv]

The $6.5-million variance between planned and actual spending is attributable to the fact that, at the time of the 2015–16 RPP's publication, the annual budgets of certain initiatives, such as the Bellechasse Gas Pipeline, were not known. Also, to meet the needs of its clientele more effectively, CED reallocated resources across its programs and moved up the delivery of projects linked to the *Canadian Economic Diversification Initiative for Communities Reliant on Chrysotile*.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
53,720,902	53,720,902	57,193,056	60,180,857	6,459,955

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
36	37	1

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Quebec communities have strong economies	CFP: Percentage point increase in the survival rate of CFP clients who have received assistance compared with comparable businesses that did not receive assistance	15%	26%
	Infrastructure Modernization: Amount of total investment generated in communities	N/A	N/A
	Temporary or Targeted Support: Amount of total investment generated in communities	$42M	$48.9M

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal Services include only those activities and resources that apply across an organization and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Management Services; Materiel Services; and Acquisition Services.

Performance Analysis and Lessons Learned

In keeping with Government of Canada policy, one of the priorities identified by CED for 2015–16 is to build on a culture of innovation to enhance its performance. This priority particularly involves Internal Services.

Over the past year, CED thus built on its capacity for innovation and continuous improvement to modernize its procedures and systems, so as to enhance its openness and transparency and provide its clients with better service in a context that is stimulating for its employees.

To support modernization in 2015–16, CED:

- worked in collaboration with regional development agencies to start developing a government-wide G&C management system;
- migrated to the integrated management software program, PeopleSoft;
- produced a five-year plan for implementation of the Open Government initiative, and introduced planned activities for the first year;
- distributed externally CED's Map of Interventions[xxvi] to Quebec businesses and communities via the Open Data portal;
- implemented a new electronic document and records management system (GCDOCS) for better information management;
- stepped up its use of social media to build a larger pool of followers on its official platforms;
- achieved efficiency gains and boosted innovation through activities conducted by the Oxygen team; and
- continued to implement Blueprint 2020 initiatives so as to continue building the Public Service of the Future.

Budgetary Financial Resources[7] (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
20,446,605	20,446,605	21,128,067	17,829,224	(2,617,381)

Human Resources[8] (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
129	128	(1)

[7] This chart includes operating expenditures only.

[8] The planned FTEs in the Internal Services program are broken down according to the definition of internal services provided by the Treasury Board Secretariat in the *Profile of Government of Canada Internal Services*. As agreed with the TBS, however, CED's Management and Monitoring Services group, as with Canada's other regional development agencies, excludes design and management of programs, policies, standards and guidelines, and government relations.

Section IV: Supplementary Information

Supporting Information on Lower-level Programs

Supporting information on lower-level programs is available on CED's website. [xxvii]

Supplementary Information Tables

The following supplementary information tables are available on CED's website.

- Internal Audits and Evaluations [xxviii]
- User Fees, Regulatory Charges and External Fees [xxix]
- Details on Transfer Payment Programs of $5 Million or More [xxx]
- Response to Parliamentary Committees and External Audits [xxxi]
- Departmental Sustainable Development Strategy [xxxii]

Federal Tax Expenditures

The tax system can be used to achieve public policy objectives through the application of special measures, such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the *Report on Federal Tax Expenditures*.[xxxiii] This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in the report are the responsibility of the Minister of Finance.

Organizational Contact Information

Canada Economic Development for Quebec Regions

Dominion Square Building
1255 Peel Street, Suite 900
Montreal, Quebec H3B 2T9

CANADA

Phone: 514-283-6412
Fax: 514-283-3302

Website: http://www.dec-ced.gc.ca

Additional Information

The following information can be found on CED's website:

CED Programs
http://www.dec-ced.gc.ca/eng/programs/index.html

CED Organizational Chart
http://www.dec-ced.gc.ca/eng/agency/chart/organizational.html

CED Business Offices
http://www.dec-ced.gc.ca/eng/contact/offices/index.html

CED Project Submission Guide
http://www.dec-ced.gc.ca/eng/resources/guide/index.html

Methodology and Technical Notes on Performance Data and Performance Status Rating
http://www.dec-ced.gc.ca/eng/resources/publications/dpr/2016–2017/338/index.html#methodl

Appendix: Definitions

Appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

Budgetary Expenditures: Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

Full-Time Equivalent: Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada Outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

Non-Budgetary Expenditures: Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

Performance: What an organization did with its resources to achieve its results, how well those results compare with what the organization intended to achieve and how well lessons learned have been identified.

Performance Indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative.

Performance Reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

Plan: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

Planned Spending: For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

Priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

Program: A group of related inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

Result: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Statutory Expenditures: Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

Sunset Program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

Target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

Voted Expenditures: Expenditures that Parliament approves annually through an *Appropriation Act*. The Vote wording becomes the governing conditions under which these expenditures may be made.

Whole-of-Government Framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

[i] Canada Economic Development for Quebec Regions, *Enquête annuelle de la satisfaction de la clientèle [Annual Customer Satisfaction Survey]*, 2015–16.

[ii] Link to the *Economic Development Agency of Canada for the Regions of Quebec Act*: http://laws-lois.justice.gc.ca/eng/acts/E-1.3/index.html

[iii] To consult the list of CED's business offices, visit http://www.dec-ced.gc.ca/eng/contact/offices/index.html.

[iv] CED contributes to the design, administration or implementation in Quebec of Canada-wide grants and contributions (G&C) programs and temporary initiatives. For further details concerning these programs and initiatives, visit CED's website at http://www.dec-ced.gc.ca/eng/programs/qedp/index.html and the supplementary tables on transfer payments.

[v] CED's Map of Interventions. http://www.dec-ced.gc.ca/eng/resources/map/index.html

[vi] Ministerial Mandate Letter. http://pm.gc.ca/eng/node/39961

[vii] *Public Accounts of Canada 2016.* http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

[viii] Whole-of-Government Framework. http://www.tbs-sct.gc.ca/hgw-cgf/finances/rgs-erdg/wgf-ipp-eng.asp

[ix] CED's financial statements.
http://www.dec-ced.gc.ca/eng/publications/agency/dpr/2015-2016/325/index.html

[x] Statement of operations and notes.

[xi] CED's Future-Oriented Statement of Operations (Unaudited) as at March 31, 2015 and 2016. http://www.dec-ced.gc.ca/eng/resources/publications/dpr/2016-2017/339/index.html

[xii] Information on data sources and their processing and reliability is available in the supplementary tables on the CED website (see Appendix 1 – Technical Notes on Performance Data).
http://dec-ced.gc.ca/eng/resources/publications/dpr/2015–2016/324/index.html

[xiii] Quebec Ministry of Economy, Innovation and Exports (2010). *Le renouvellement de l'entrepreneuriat au Québec : un regard sur 2013 et 2018 (Revival of Entrepreneurship in Quebec: A Look at 2013 and 2018).* https://www.economie.gouv.qc.ca/fileadmin/contenu/publications/etudes_statistiques/entrepreneuriat_pme/renouvellement_entrepreneuriat.pdf (French only)

[xiv] Statistics Canada. *Table 282-0012 – Labour force survey estimates (LFS), employment by class of worker, North American Industry Classification System (NAICS) and sex, annual.* CANSIM (database). (Site consulted October 29, 2015). http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820012

[xv] Statistics Canada (2015). Economic Impact Study – 2001 to 2013.

[xvi] *Case Study: Project to Implement the Eeyou Istchee Broadband Communications Network (ECN).* http://dec-ced.gc.ca/eng/resources/publications/evaluation/2015/317/index.html

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http://www.tourisme.gouv.qc.ca/publications/publication/plus-recentes-donnees-tourisme-quebec-211.html?categorie=38

[xviii] Quebec Ministry of Economy, Innovation and Exports (2015). *Portrait économique des régions du Québec [Economic Portrait of Quebec Regions].* https://www.economie.gouv.qc.ca/objectifs/informer/portraits-regionaux/page/etudes-et-analyses-11106/?tx_igaffichagepages_pi1%5Bmode%5D=single&tx_igaffichagepages_pi1%5BbackPid%5D=69&tx_igaffichagepages_pi1%5BcurrentCat%5D=&cHash=dff02acdaee4a2b80efe445ad8de97ee (French only)

[xix] Centre sur la productivité et la prospérité (2010). *Ouverture aux investissements directs étrangers et productivité au Canada [Openness to Foreign Direct Investment and Productivity in Canada].* http://cpp.hec.ca/en/openness-to-foreign-direct-investment-and-productivity-in-canada/?noredirect=en

[xx] Montréal International (2015). *Activity Report 2015.* http://www.montrealinternational.com/en/report-2015/; and Québec International (2015). *2015 Annual Report.* http://www.quebecinternational.ca/about-us/publications-mosaic/?lang=en

[xxi] *Idem.*

[xxii] *Evaluation of the Community Futures Program in Quebec* (2015).

[xxiii] *Evaluation of the Community Futures Program in Quebec* (2015). Impact data provided by Statistics Canada (three studies conducted by Statistics Canada covering 2008, 2009 and 2010)

[xxiv] Evaluation of the *Temporary Initiative for the Strengthening of Quebec's Forest Economies* (TISQFE) (2016).

[xxv] See Infrastructure Canada's website. http://www.infrastructure.gc.ca

[xxvi] **CED's Map of Interventions.** http://www.dec-ced.gc.ca/eng/resources/map/index.html
[xxvii] **Supporting Information on Lower-level Programs.** http://www.dec-ced.gc.ca/eng/resources/publications/dpr/2016-2017/338/index.html#relatinfo
[xxviii] **Internal Audits and Evaluations.** http://www.dec-ced.gc.ca/eng/resources/publications/dpr/2016-2017/338/index.html#audits
[xxix] **User Fees, Regulatory Charges and External Fees.** http://www.dec-ced.gc.ca/eng/resources/publications/dpr/2016-2017/338/index.html#usersfees
[xxx] **Details on Transfer Payment Programs of $5 Million or More.** http://www.dec-ced.gc.ca/eng/resources/publications/dpr/2016-2017/338/index.html#transfer
[xxxi] **Response to Parliamentary Committees and External Audits.** http://www.dec-ced.gc.ca/eng/resources/publications/dpr/2016-2017/338/index.html#parliament
[xxxii] **Departmental Sustainable Development Strategy.** http://www.dec-ced.gc.ca/eng/resources/publications/dpr/2016-2017/338/index.html#minststrag
[xxxiii] **Report on Federal Tax Expenditures.** http://www.fin.gc.ca/purl/taxexp-eng.asp